

STATE OF SOUTH CAROLINA

(Caption of Case)

Petition of the Office of Regulatory Staff to Establish
Dockets to Consider Implementing the Requirements
of Section 1251 (Net Metering and Additional
Standards) of the Energy Policy Act of 2005

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET

NUMBER: 2005 - 385 - E

(Please type or print)

Submitted by: Catherine E. HeigelSC Bar Number: 9268Address: Duke Energy CorporationTelephone: 704.382.8123P O Box 1006 / EC03TFax: 704.382.5690Charlotte, NC 28201-1006

Other: _____

Email: ceheigel@duke-energy.com

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition ☐ Request for item to be placed on Commission's Agenda expeditiously

☒ Other: _____

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)			
<input checked="" type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input checked="" type="checkbox"/> Letter	<input type="checkbox"/> Request	
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification	
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation	
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement	
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment	
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter	
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response	
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery	
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition	
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation	
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena	
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff	
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other:	
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest		
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit		
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report		



DUKE ENERGY CAROLINAS, LLC
526 South Church St.
Charlotte, NC 28202

Mailing Address:
EC03T / PO Box 1006
Charlotte, NC 28201-1006

CATHERINE E. HEIGEL
Assistant General Counsel
704.382.8123 OFFICE
704.382.5690 FAX
ceheigel@duke-energy.com

March 7, 2008

Mr. Charles L. A. Terreni
Chief Clerk/Administrator
The Public Service Commission of South Carolina
P. O. Drawer 11649
Columbia, South Carolina 29211

RE: Petition of the Office of Regulatory Staff to Establish Dockets to Consider Implementing the Requirements of Section 1251 (Net Metering and Additional Standards) of the Energy Policy Act of 2005
Docket No. 2005-385-E

Dear Mr. Terreni:

At the request of the Public Service Commission of South Carolina (the "Commission"), on February 14, 2008, representatives of Duke Energy Carolinas, Progress Energy Carolinas, and South Carolina Electric & Gas responded to the Commissioners' questions concerning net metering rates and riders previously filed with the Commission in response to Order No. 2007-626. The purpose of this letter and attachments is to further explain the two options proposed by Duke Energy Carolinas by providing a general description of the tariffs, a summary of the pricing and a sample bill calculation for a typical residential customer.

For Duke Energy Carolinas the options are (1) Rider NM, which must be used in conjunction with a time of use rate, and (2) Rider SCG, which can be used with time of use or non time of use rates. In the same way that standard rates are generally more attractive to smaller customers and time of use rates are attractive to larger customers, Rider SCG may be more appealing to small customers and Rider NM may appeal more to larger customers. The rate options are simply two different rate designs that accomplish the same purpose and can, in some cases, produce almost the same monthly bill.

Exhibit 1 shows the rate/rider prices side by side. Under a standard rate option, the energy charges are higher because they include the demand costs. Under the time of use rate option, the energy charges are lower because some of the demand costs are being determined

separately. For customers, who can use their own generation during peak hours or otherwise shift usage to off peak hours, real savings can be realized on time of use rates.

Exhibit 2 illustrates sample bills under both riders for a customer with a 2 kW photovoltaic system, whose actual usage is 1071 kWh, and where the PV system generates 263 kWh. The example shows that the basic costs are comparable (\$11.81 under SCG vs. \$11.59 under NM), as well as the total bill. For the calculation under the time of use rate, reasonable assumptions were made for the on-peak demand and ratio of on-peak kWh to off-peak kWh. As Exhibit 2 shows, there is less than \$1.00 per month difference in the average monthly bill. As additional information, the net monthly savings arising from the use of the customer generator is approximately \$15.00 per month under either option. To simplify the example, no excess kilowatt hours provided by the customer generator were assumed. If the customer generates excess, the net monthly bill could be reduced an additional 4 to 5 cents per excess kilowatt hour.

If you have any questions, please let me know.

Sincerely,

A handwritten signature in black ink, reading "Catherine E. Heigel". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Catherine E. Heigel

cc: Parties of Record

Enclosures

DUKE ENERGY CAROLINAS
RIDER SCG AND RIDER NM RATE OPTIONS FOR CUSTOMERS WITH SMALL GENERATORS WHO MEET THE INTERCONNECT STANDARD

SCHEDULE RS (SC), Category 2, with Small Customer Generator Rider SCG		
RATE	CHARGES	
RS2	Basic Facilities Charge	All Months \$6.16
SCG	Supplemental BFC	
SCG	Standby Charge	\$3.75 \$.95 per kW of generator
RS2	First 1000 kWh per month Over 1000 kWh per month	All Months 7.2715 cents/kWh 8.7605 cents/kWh
RATE	CREDITS	
RS2	When customer load exceeds generator load First 1000 kWh per month Over 1000 kWh per month	All Months (7.2715 cents/kWh) (8.7605 cents/kWh)
PP	When generator load exceeds customer load On-Peak Energy Credit	All Months (5.44 cents/kWh)
PP	Off-Peak Energy Credit	(3.90 cents/kWh)
Note 1: Credits for excess energy, if any will further reduce energy charges		
Note 2: Rider SCG can be used in conjunction with RS, RE, ES, or RT. The majority of Duke Energy residential customers are served on RS, category 2 which is used in this example.		

SCHEDULE RT(SC) With Net Metering Rider NM		
RATE	CHARGES	
RT	Basic Facilities Charge	All Months \$11.59 per month
RT	On-Peak Demand Charge	June-Sept \$6.41 per kW Oct-May \$3.21 per kW
RT	On-Peak Energy Charge Off-Peak Energy Charge	All Months 5.1767 cents/kWh 4.1969 cents/kWh
RATE	CREDITS	
RT	On-Peak Demand Credit	June-Sept (\$6.41 per kW) Oct-May (\$3.21 per kW)
RT	On-Peak Energy Credit	All Months (5.1767 cents/kWh)
RT	Off-Peak Energy Credit	(4.1969 cents/kWh)
Note 1: If the net energy component is a credit, the credit may be carried forward and applied to following month. Accumulated energy credits, if any, are donated to the Company June 1 each year.		

DUKE ENERGY CAROLINAS
SAMPLE BILLS UNDER RIDER SCG AND RIDER NM RATE OPTIONS

Customer energy requirements are 1071 kwh, peak demand 7 kW, reduced to 5.7 kW with 2 kW PV system, 20% of kWh are used on-peak, and PV system generates 263 kwh

SCHEDULE RS (SC), Category 2, with Small Customer Generator Rider SCG			
RS2	Basic Facilities Charge	\$ 6.16	
SCG	Supplemental Basic Facilities Charge	\$ 3.75	
SCG	Standby Charge (2 kW system)	\$ 1.90	
	Total Basic Facilities and Standby Charge	\$ 11.81	
	Energy Charges for 1071 kWh		
RS2	First 1000 kWh	1000 \$	72.71500
	Over 1000 kWh	71 \$	6.21996
	Energy Credits for 263 kWh from PV system.		
RS2	192 kWh at first 1000 kWh rate	192 \$	(13.96128)
	71 kWh at over 1000 kWh rate	71 \$	(6.2200)
	MONTHLY BILL	\$	70.56

SCHEDULE RT(SC) with Net Metering Rider NM				
RT	Basic Facilities Charge	June-Sept	Oct - May	
		\$ 11.59	\$ 11.59	
RT	On-Peak Demand Charge (assume 7 kW without PV)	\$ 44.870	\$ 22.47	
RT	On-Peak Demand Credit (assume 5.7 kW with PV -- 1.3 KW reduction)	\$ (8.33300)	\$ (4.1730)	
RT	Energy Charges for 1071 kWh (20% on-peak, 80% off-peak)			
	On-peak energy	214 \$	11.07814 \$	11.0781
	Off-peak energy	857 \$	35.96743 \$	35.9674
RT	Energy Credits for 263 kWh from PV system	106 \$	(5.48730) \$	(5.48730)
	On-peak energy credit	157 \$	(6.58913) \$	(6.58913)
	Off-peak energy credit	\$	83.10 \$	64.86
	WEIGHTED AVERAGE MONTHLY BILL (SUMMER/WINTER)	\$	\$	70.94